

108TH CONGRESS
1ST SESSION

H. R. 3447

To authorize the establishment of a Social Investment and Economic Development Fund for the Americas to provide assistance to reduce poverty and foster increased economic opportunity in the countries of the Western Hemisphere, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 5, 2003

Mr. MENENDEZ (for himself, Mr. BALLENGER, Mr. DELAHUNT, Ms. ROS-LEHTINEN, Mr. LANTOS, Mr. WELLER, Mr. ACKERMAN, Ms. HARRIS, Mr. FALEOMAVAEGA, Mr. PAYNE, Mr. CROWLEY, Mrs. NAPOLITANO, Mr. RODRIGUEZ, Mr. REYES, Mr. GUTIERREZ, Mr. ORTIZ, Ms. ROYBAL-ALLARD, Mr. GONZALEZ, Ms. SOLIS, Mr. ACEVEDO-VILÁ, Mr. BERMAN, and Mr. HASTINGS of Florida) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To authorize the establishment of a Social Investment and Economic Development Fund for the Americas to provide assistance to reduce poverty and foster increased economic opportunity in the countries of the Western Hemisphere, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Social Investment and
3 Economic Development Fund for the Americas Act of
4 2003”.

5 **SEC. 2. FINDINGS; STATEMENT OF POLICY.**

6 (a) FINDINGS.—Congress finds the following:

7 (1) The historic economic, political, cultural,
8 and geographic relationships among the countries of
9 the Western Hemisphere are unique and of con-
10 tinuing special significance to the United States.

11 (2) The interests of the countries of the West-
12 ern Hemisphere are more interrelated today than
13 ever before. Consequently, sound economic, social,
14 and democratic progress in each of the countries
15 continues to benefit other countries, and lack of it
16 in any country may have serious repercussions in
17 others.

18 (3) Following the historic Summits of the
19 Americas—the 1994 Summit in Miami, the 1998
20 Summit in Santiago, Chile, and the 2001 Summit in
21 Quebec City, Canada—the heads of state of the
22 countries of the Western Hemisphere accepted the
23 formidable challenge of economic and social integra-
24 tion in and between their respective countries.

25 (4) To make progress toward economic and so-
26 cial integration, there is a compelling need to focus

1 on the social development of the people of the Amer-
2 icas which, in turn, will promote the economic and
3 political development of the region.

4 (5) Investment in social development in the
5 Americas, including investment in human and social
6 capital, specifically in education, health, housing,
7 and labor markets with the goal of combating social
8 exclusion and social ills, will consolidate political de-
9 mocracy and the rule of law and promote regional
10 economic integration and trade in the region.

11 (6) The challenge of achieving economic inte-
12 gration between one of the world's most developed
13 economies and some of the poorest and most vulner-
14 able countries requires a special effort to promote
15 social equality, develop skills, and modernize the in-
16 frastructure in poorer countries that will enable the
17 people of these countries to maximize the amount of
18 benefits accrued from economic integration.

19 (7) The particular challenge facing social and
20 economic development in Latin America is the his-
21 toric and persistent highly unequal distribution of
22 wealth. Latin America suffers from the most un-
23 equal distribution of wealth in the world with huge
24 inequities in the distribution of assets including edu-
25 cation, land, and credit.

1 (8) Latin America also confronts the challenge
2 of an increasing number of poor people. As of today,
3 approximately one-third of the population lives in
4 poverty and increasing numbers live in extreme pov-
5 erty. Poverty exists in all Latin American countries
6 but 70 percent of the region's poor live in the five
7 largest middle-income countries.

8 (9) Marginalized groups, including indigenous
9 populations, people of African descent, women, peo-
10 ple with disabilities, and rural populations, are so-
11 cially excluded and suffer from poverty, stigma, and
12 discrimination.

13 (10) Democratic values are dominant through-
14 out the Americas, and nearly all governments in the
15 region have come to power through democratic elec-
16 tions.

17 (11) Nonetheless, existing democratic govern-
18 ments and their constituent institutions remain frag-
19 ile and face critical challenges including effective
20 democratic civilian authority over these institutions,
21 including the military, the consolidation or establish-
22 ment of independent judicial institutions and the
23 rule of law, and the elimination of corruption.

24 (12) The prosperity, security, and well-being of
25 the United States is linked directly to peace, pros-

1 perity, and democracy in the Americas. The entire
2 region benefits by reducing poverty, strengthening
3 the middle class, and promoting the rule of law
4 which will also increase markets for United States
5 goods and create a better environment for regional
6 investment by United States businesses.

7 (13) Section 101 of the Foreign Assistance Act
8 of 1961 (22 U.S.C. 2151) establishes as a principal
9 objective of United States foreign assistance the
10 “encouragement and sustained support of the people
11 of developing countries in their efforts to acquire the
12 knowledge and resources essential to development
13 and to build the economic, political, and social insti-
14 tutions which will improve the quality of their lives”.

15 (14) It is in the national interests of the United
16 States to assist developing countries in the Western
17 Hemisphere as they implement the economic and po-
18 litical policies which are necessary to achieve equi-
19 table economic growth.

20 (15) The Summit of the Americas has directly
21 charged the multilateral institutions of the Americas,
22 including the Organization of American States
23 (OAS), the Inter-American Development Bank
24 (IADB), and the new Inter-American Agency for Co-
25 operation and Development with mobilizing private-

1 public sector partnerships among industry and civil
2 society to help achieve equitable development objec-
3 tives.

4 (16) By supporting the purposes and objectives
5 of development and applying such purposes and ob-
6 jectives to the Americas, a Social Investment and
7 Economic Development Fund for the Americas can
8 advance the national interests of the United States
9 and can directly improve the lives of the poor and
10 marginalized groups, encourage broad-based eco-
11 nomic growth while protecting the environment,
12 build human capital and knowledge, support mean-
13 ingful participation in democracy, and promote
14 peace and justice in the Americas.

15 (b) STATEMENT OF POLICY.—It is, therefore, the
16 policy of the United States—

17 (1) to promote market-based principles, eco-
18 nomic integration, social development, and trade in
19 and between countries of the Americas by—

20 (A) nurturing public-private partnerships
21 and microenterprise development;

22 (B) improving the quality of life and in-
23 vesting in human capital, specifically targeting
24 education, health and disease prevention, and
25 housing;

1 (C) strengthening the rule of law through
2 improved efficiency and transparency in govern-
3 ment services; and

4 (D) reducing poverty and eliminating the
5 exclusion of marginalized populations, including
6 people of African descent, indigenous groups,
7 women, and people with disabilities; and

8 (2) to establish an investment fund for the
9 Western Hemisphere to advance the national inter-
10 ests of the United States, directly improve the lives
11 of the poor and marginalized, encourage broad-based
12 economic growth while protecting the environment,
13 build human capital and knowledge, support mean-
14 ingful participation in democratic institutions and
15 processes, and promote peace and justice in the
16 Americas.

17 **SEC. 3. AMENDMENT TO FOREIGN ASSISTANCE ACT OF**
18 **1961.**

19 Part I of the Foreign Assistance Act of 1961 (22
20 U.S.C. 2151 et seq.) is amended by adding at the end
21 the following:

1 **“CHAPTER 13—SOCIAL INVESTMENT AND**
2 **ECONOMIC DEVELOPMENT FUND FOR**
3 **THE AMERICAS**

4 **“SEC. 499H. AUTHORIZATION OF ASSISTANCE.**

5 “(a) IN GENERAL.—The President, acting through
6 the Administrator of the United States Agency for Inter-
7 national Development, shall provide assistance to reduce
8 poverty and foster increased economic opportunity in the
9 countries of the Western Hemisphere by—

10 “(1) nurturing public-private partnerships and
11 microenterprise development;

12 “(2) improving the quality of life and investing
13 in human capital, specifically targeting education,
14 health and disease prevention, and housing;

15 “(3) strengthening the rule of law through im-
16 proved efficiency and transparency in government
17 services; and

18 “(4) reducing poverty and eliminating the ex-
19 clusion of marginalized populations, including people
20 of African descent, indigenous groups, women, and
21 people with disabilities.

22 “(b) TERMS AND CONDITIONS.—Assistance under
23 this chapter may be provided on such other terms and con-
24 ditions as the President may determine.

1 **“SEC. 499I. TECHNICAL REVIEW COMMITTEE.**

2 “(a) IN GENERAL.—There is established within the
3 United States Agency for International Development a
4 technical review committee.

5 “(b) MEMBERSHIP.—The President, by and with the
6 advice and consent of the Senate, shall appoint to serve
7 on the technical review committee—

8 “(1) individuals with technical expertise with
9 respect to the development of Latin America and the
10 Caribbean; and

11 “(2) citizens of the United States with technical
12 expertise with respect to development projects and
13 business experience.

14 Technical expertise shall be the sole criterion in making
15 appointments to the technical review committee.

16 “(c) DUTIES.—The technical review committee shall
17 review all projects proposed for funding using assistance
18 provided under section 499H(a), and make recommenda-
19 tions to the President with respect to the guidelines to
20 be used in evaluating project proposals and the suitability
21 of the proposed projects for funding.

22 “(d) CONFLICTS OF INTEREST.—A member of the
23 technical review committee shall not be permitted to re-
24 view an application submitted by an organization with
25 which the member has been or is affiliated.

1 **“SEC. 499J. REPORT.**

2 “The President shall prepare and transmit to the
3 Committee on International Relations of the House of
4 Representatives, the Committee on Foreign Relations of
5 the Senate, and other appropriate congressional commit-
6 tees an annual report on the specific programs, projects,
7 and activities carried out under this chapter during the
8 preceding year, including an evaluation of the results of
9 such programs, projects, and activities.

10 **“SEC. 499K. AUTHORIZATION OF APPROPRIATIONS.**

11 “(a) IN GENERAL.—There are authorized to be ap-
12 propriated to carry out this chapter \$250,000,000 for
13 each of the fiscal years 2005 through 2009.

14 “(b) ADDITIONAL AUTHORITIES.—Amounts appro-
15 priated pursuant to subsection (a)—

16 “(1) may be referred to as the ‘United States
17 Social Investment and Economic Development Fund
18 for the Americas’;

19 “(2) are authorized to remain available until ex-
20 pended; and

21 “(3) are in addition to amounts otherwise avail-
22 able for such purposes.

23 “(c) FUNDING LIMITATION.—Not more than 7 per-
24 cent of the amounts appropriated pursuant to subsection
25 (a) for a fiscal year may be used for administrative ex-
26 penses.”.

1 **SEC. 4. AMENDMENT TO THE INTER-AMERICAN DEVELOP-**
2 **MENT BANK ACT.**

3 The Inter-American Development Bank Act (22
4 U.S.C. 283—283z-10) is amended by adding at the end
5 the following:

6 **“SEC. 39. SOCIAL INVESTMENT AND ECONOMIC DEVELOP-**
7 **MENT FUND FOR THE AMERICAS.**

8 “(a) IN GENERAL.—The Secretary of the Treasury
9 shall instruct the United States Executive Director at the
10 Bank to use the voice, vote, and influence of the United
11 States to urge the Bank to establish an account to be
12 known as the ‘Social Investment and Economic Develop-
13 ment Fund for the Americas’ (in this section referred to
14 as the ‘Fund’), which is to be operated and administered
15 by the Board of Executive Directors of the Bank con-
16 sistent with subsection (b). The United States Governor
17 of the Bank may vote for a resolution transmitted by the
18 Board of Executive Directors which provides for the estab-
19 lishment of such an account, and the operation and admin-
20 istration of the account consistent with subsection (b).

21 “(b) GOVERNING RULES.—

22 “(1) USE OF FUNDS.—The Fund shall be used
23 to provide assistance to reduce poverty and foster in-
24 creased economic opportunity in the countries of the
25 Western Hemisphere by—

1 “(A) nurturing public-private partnerships
2 and microenterprise development;

3 “(B) improving the quality of life and in-
4 vesting in human capital, specifically targeting
5 education, health and disease prevention, and
6 housing;

7 “(C) strengthening the rule of law through
8 improved efficiency and transparency in govern-
9 ment services; and

10 “(D) reducing poverty and eliminating the
11 exclusion of marginalized populations, including
12 people of African descent, indigenous groups,
13 women, and people with disabilities.

14 “(2) APPLICATION FOR FUNDING THROUGH A
15 COMPETITIVE PROCESS.—Any interested person or
16 organization may submit an application for funding
17 by the Fund.

18 “(3) TECHNICAL REVIEW COMMITTEE.—

19 “(A) IN GENERAL.—The Fund shall have
20 a technical review committee.

21 “(B) MEMBERSHIP.—The Board of Execu-
22 tive Directors of the Bank shall appoint to
23 serve on the technical review committee—

1 “(i) individuals with technical exper-
2 tise with respect to the development of
3 Latin America and the Caribbean; and

4 “(ii) citizens of the United States with
5 technical expertise with respect to develop-
6 ment projects and business experience.

7 Technical expertise shall be the sole criterion
8 (other than citizenship pursuant to clause (ii))
9 in making appointments to the technical review
10 committee.

11 “(C) DUTIES.—The technical review com-
12 mittee shall review all projects proposed for
13 funding by the Fund, and make recommenda-
14 tions to the Board of Executive Directors of the
15 Bank with respect to the guidelines to be used
16 in evaluating project proposals and the suit-
17 ability of the proposed projects for funding.

18 “(D) CONFLICTS OF INTEREST.—A mem-
19 ber of the technical review committee shall not
20 be permitted to review an application submitted
21 by an organization with which the member has
22 been or is affiliated.

23 “(4) REVIEW OF PROPOSED PROJECTS.—Not
24 more frequently than annually, the Board of Execu-
25 tive Directors of the Bank shall review and make de-

1 cisions on applications for projects to be funded by
2 the Fund, in accordance with procedures which pro-
3 vide for transparency. The Board of Executive Di-
4 rectors shall provide advance notice to all interested
5 parties of any date on which such a review will be
6 conducted.

7 “(c) CONTRIBUTION AUTHORITY.—To the extent and
8 in the amounts provided in advance in appropriations
9 Acts, the United States Governor of the Bank may con-
10 tribute to the Fund \$1,250,000,000.

11 “(d) LIMITATIONS ON AUTHORIZATION OF APPRO-
12 PRIATIONS.—

13 “(1) IN GENERAL.—For the contribution au-
14 thorized by subsection (c), there are authorized to be
15 appropriated for payment to the Secretary of the
16 Treasury \$250,000,000 for each fiscal year begin-
17 ning with the fiscal year in which the resolution de-
18 scribed in subsection (a) is adopted.

19 “(2) ADDITIONAL AUTHORITIES.—Amounts ap-
20 propriated pursuant to paragraph (1)—

21 “(A) are authorized to remain available
22 until expended; and

23 “(B) are in addition to amounts otherwise
24 available for such purposes.

1 “(3) FUNDING LIMITATION.—Not more than 7
2 percent of the amounts appropriated pursuant to
3 paragraph (1) for a fiscal year may be used for ad-
4 ministrative expenses.”.

5 **SEC. 5. SENSE OF CONGRESS.**

6 It is the sense of Congress that the countries of the
7 Western Hemisphere should collectively provide assistance
8 equal to the amount of United States bilateral assistance
9 provided under chapter 13 of part I of the Foreign Assist-
10 ance Act of 1961 (as added by section 3(a) of this Act)
11 and multilateral assistance provided by the Social Invest-
12 ment and Economic Development Fund for the Americas
13 under section 39 of the Inter-American Development
14 Bank Act (as added by section 4 of this Act) for the same
15 purpose for which such assistance was provided.

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